

# PLACE MARKETING

## LECTURE 2:

- MARKETING BASICS
- MARKETING vs BRANDING

EVA PSATHA– OCTOBER 2018

### Sources:

Sandhusen, R., (1994) ΜΑΡΚΕΤΙΝΓΚ, Εκδόσεις Κλειδάριθμος

Dayan, A. (2001) ΤΟ ΜΑΡΚΕΤΙΝΓΚ, Εκδόσεις Δαίδαλος

Hindle, T., Thomas, M., Hawkins, J., Wood, J., (2001), Εγχειρίδιο του Μάρκετινγκ, Εκδόσεις Κέρκυρα

Kotler, P., Asplund, C., Rein, I., Haider, D. (1999), Marketing Places. Europe, Prentice Hall

## What is marketing?

Marketing is the procedure of conception, promotion, pricing and distribution of goods and services for achieving exchanges that will satisfy the objectives of individuals and organizations.

(American Marketing Association)

## Why studying marketing?

- Important for individuals (individuals are subject to marketing procedures, job opportunities within marketing sector)
- Important for businesses (increases competitiveness, increases sales, increases revenue)
- Important for society (increases consumption, increases business activity)

# BASIC CONCEPTS & PRINCIPLES

- Marketing was developed due to the emergence of competitiveness, in a state of (artificial) affluence - especially in industrialized countries
- Marketing's quintessence : **knowledge is the prerequisite of action**
- The contemporary commercial function is based on market knowledge and can be characterized as a planned procedure (a deep understanding of strategic planning is required)

# MARKETING PROCESS: BASIC CONCEPTS

## Key-Terms

### **Markets:**

groups of / spaces for potential buyers that are capable of demanding products

### **Need:**

the objective or subjective feeling of lack that can be ignored, satisfied or idealized

### **Exchange:**

The procedure when two or more sides give one thing and receiving another in return, in order to meet their needs and/or desires

### **Product or Good:**

anything that can satisfy needs and/or desires (material goods, ideas, services that are offered in order to be consumed, used or taken into account)

### **Marketing mix:**

the combination of 4 variables (product / place / promotion / price)

## **Needs**

- Physical or Mental feelings
- Depending on the development level of the society

## **Desires**

- The various forms that needs can take according to one's culture

## **Products and Goods**

- Material and Immaterial
- Are offered for information, possession, use or consumption
- Can be people, services, spaces, organizations, ideas and PLACES

## **Exchange**

- The ultimate goal of any market activity
- Great variety of forms: offering education in exchange for learning, offering votes in exchange for the promised political actions, offering skills in exchange for job vacancy, offering money in exchange for a menu, etc.

## **Marketing Process**

- Creates and analyses the relations during the exchange

## **Markets**

- Defining the various target markets
- Setting up a special program to attract those who have access to/ interest in buying a particular product

## **Competition**

- All other possible ways in which the members of a target market can meet their desires
- Direct or indirect competition

# THE CONCEPTS OF MARKETING THROUGH TIME

## The Production Concept

“Consumers will favor products that are available and highly affordable”

## The Product Concept

«A good product can be always sold»

- Emphasis on the production process
- Dominant till 1920 (local markets)
- Pre-Fordism Period

## The Sales Concept:

- The mass production led to great surpluses
- At the same time, disposable income and purchasing power were increased (conditions of competition)
- Rise of Advertisement campaigns and sales policies
- Personal communication with clients
- Dominant till 1950
- Fordism, Taylorism



# THE CONCEPTS OF MARKETING THROUGH TIME

## The Marketing Concept

- It appears as 'response' to postwar reduction of incomes
- Emphasis on the deep understanding and satisfaction of the needs of the consumers.
- **New 'strategic' features: two-way communication with the consumers, distinction between short-term and long-term planning, holistic view of all parts of the business to achieve common goals**

## The Societal Concept

- It appears during the 80's
- Meeting the needs, in order to achieve the prosperity of the society
- Balancing the interests of buyer, seller and society
- Ecological and social criteria
- (Post-Fordism)



# THE CONCEPTS OF MARKETING THROUGH TIME

- Until the 50's, the idea that anyone could sell anything s/he produced was dominant.
- Production was quantitatively below demand
  - ▶ Emphasis on production

That trend has been reversed since 60's:

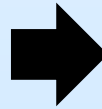
- The market determines businesses' decisions
- Contemporary marketing is haunted by the ideas that competition lurks and customers are more easily lost than found

## Marketing Mix:

- It is compiled by the marketer and it is part of the marketing strategy
- It is a combination of marketing tools that aims to provoke exchanges with the people of the target market

### 4Ps Model

- Product refers to an item that satisfies the consumer's needs or desires. Products may be tangible or intangible
- Place for the disposal of the product to the members of the target market
- Promotion refers to the marketing communication used to make the offer known to potential customers and persuade them to investigate it further
- Price refers to the amount a customer pays for a product.



### 4Rs Model

- Rights
- Roles
- Responsibilities
- Relationships

# Marketing Mix

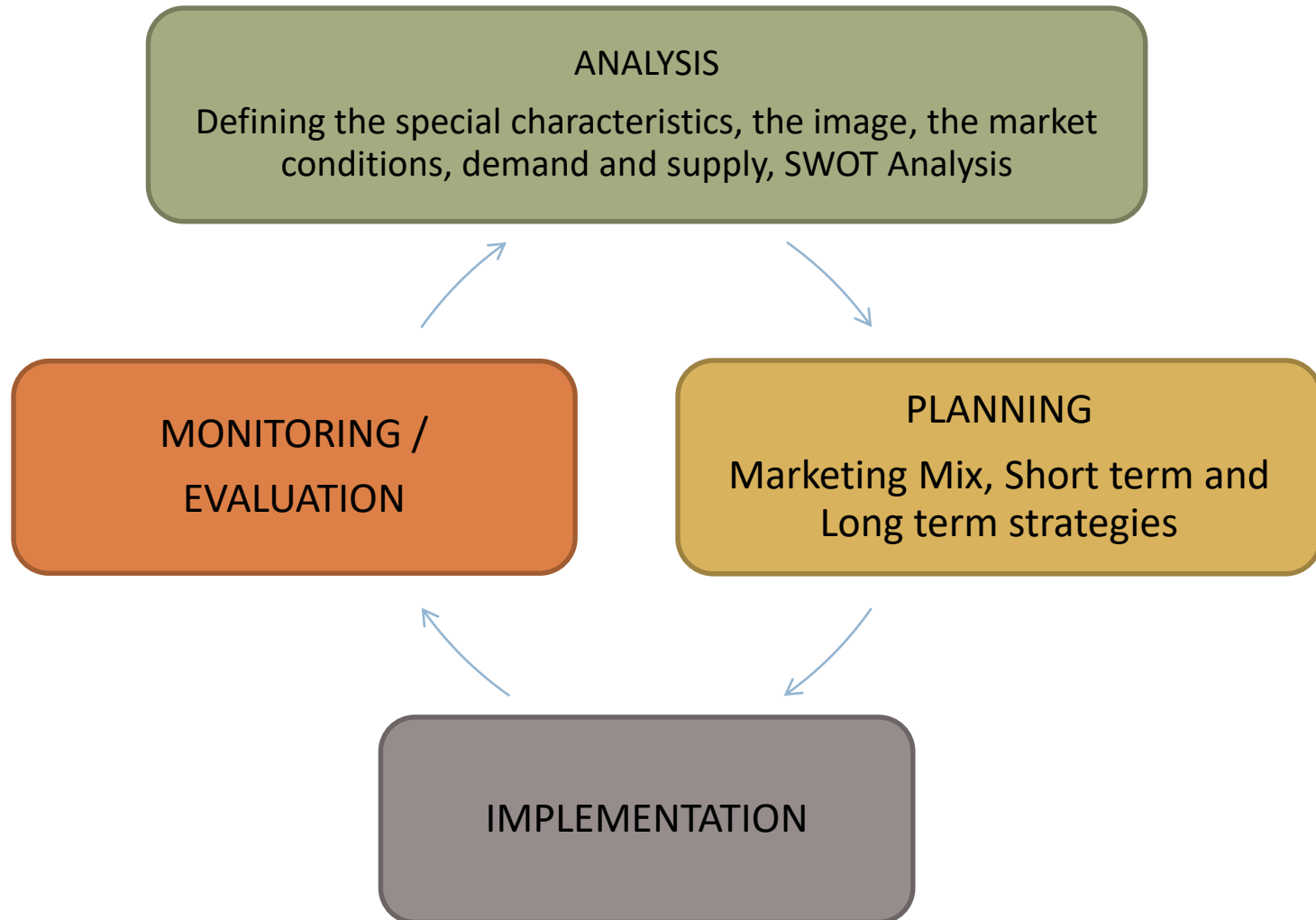
Πηγή: <http://www.business-fundas.com>



# A CRITIQUE TO MARKETING POLICIES

- An attempt for creating artificial needs (association with neoliberal policies)
- + Recognizing the real needs is more effective than the creation of new temporary needs
- Diversity of existing needs by adding useless attributes to products
- + Greater variety of options, quality improvement
- Consumers' deception
- + Consumers' deception strategies are tantamount to a "suicide policy" for a business. In addition, there are services for the protection of the consumers
- Monopoly
- + Contemporary internet tools give the opportunity to small businesses to exercise marketing
- Consuming resources in non-productive regions and encouraging a "buy-now-and-pay-later" logic
- + Social marketing tries to balance the contradictory benefits between social prosperity, profitability and ecology
- **The interest of social marketing in one region's growth and prosperity leads to negative pressures to other areas**

# THE MARKETING PROCESS



# MARKETING AS A STRATEGIC PROCEDURE

1. Analysis of the market environment trends (direct competition and substitution, consumers and potential consumers, legislation, mechanisms of distribution, the economy, etc.)
2. Analysis of the internal environment (potential and weaknesses of the firm, technical, economic and human capital)
3. Search for opportunities for development (in relation to the previous)
4. Targeting (long-term and short-term targets, market share, profit, etc.)
5. Selection of target markets or segments of the potential consumers
6. Selection of the media towards the targets (actions) and costing of the implementation (budget)
7. Monitoring and evaluation

Adopting a marketing strategy > continuous update of all data concerning external and internal environment

# THE MARKET

What is 'the market';

Actors

- Producers in competition (we and the others)
- Intermediaries (distributors, 'sellers')
- Consumers – users (clients, potential clients and non clients)

Factors

- Legislative framework
- Economic environment
- Social-cultural environment

# INFORMATION SOURCES

## 1. Internal Sources

Results of the firm, correct sales analysis, monitoring customer requirements, promotional campaigns

## 2. External sources

Secondary statistical data (ΕΛΣΤΑΤ, ΙΤΕΠ)

Special researches or **Interviews** (structured interviews, panels)

When data can not be obtained otherwise, the last method is valuable



# MARKET SEGMENTATION

- Segmentation of the heterogeneous market to homogeneous subsets (of potential 'buyers').
- Market Typology: The reverse procedure. The (potential) buyers are classified in market groups
- The market segments which are finally chosen for transaction are the target groups
- Market segmentation criteria: qualitative-quantitative (age, gender, place of residence, income, profession, marital status) and psychological (conservative or progressive character, traditional or innovative, mainstream or alternative, etc.)

# RECOGNITION OF DEMAND

(Necessary condition for matching the marketing mix with the needs of the target groups)

## 1. Negative demand

- Negative image for the good (or place)
- **Strategy for reversing the negative image**

## 2. Zero Demand

- Unknown product or location, lack of information
- Finding of ignored attributes which may turn a place to a brand

## 3. Latent demand

- New needs or desires not covered by the existing products
- Prediction of future demand and development of products to cover it

## 4. Downward demand

- Due to endogenous or exogenous factors
- Acknowledgment of the problem strategy for reversing it

# RECOGNITION OF DEMAND

(Necessary condition for matching the marketing mix with the needs of the target groups)

## 6. Full demand

- Continuous monitoring of the market and the needs of the target groups
- Target: conserving this level of demand

## 7. Over demand

- The demand is higher than the ability to manage it (e.g. higher than the carrying capacity of a place)
- Modifying the marketing mix (e.g. through pricing)

## 8. Unhealthy demand

- Demand for harmful products or politically incorrect demand
- **Demarketing strategies**

# MARKETING (AND PLACE MARKETNG) STRATEGIES

## STRATEGIES FOR DEVELOPING THE MARKET

1. Strategies for strengthening the existing market (when the product or the place has not fully exploited existing opportunities, better promotion of existing 'packages')
2. Strategies for differentiating (developing new 'packages' for the existing or new target markets)

# MARKETING (AND PLACE MARKETNG) STRATEGIES

## - TYPES OF COMPETITORS

1. Market Leaders (for well established businesses or well known places)
2. Market Challengers (for runner-up businesses or places pursuing a leadership position)
3. Market followers (for upcoming businesses or places following the market trends)
4. Market nichers (small businesses or relatively unknown places which seek to cover a special need of the market)

Supply Marketing: The procedure to forecast needs and develop products for their covering, before they emerge

# BASIC PRINCIPLES IN THE (PLACE) MARKETING PROCEDURE

## CONSUMERS

- Difference between the expectations and the reality (**disappointment**)
- Difference between the desires and the reality (**discontentment**)
- Difference between the promoted and the real image (**anger**)
- The 'pulse of the market': Forecasting of the (immediate) future needs of the consumers

# BASIC PRINCIPLES IN THE (PLACE) MARKETING PROCEDURE

## MARKET AND MARKET RESEARCH

Marketing includes the assessment of the needs in products and services, based on information from the market

- Any new services (should be) based on a **market research**
- All firms should reassess the demand for their product or services before the distribution
- Places should investigate demand for their services or touristic product before any promotion activities

Why the market research is crucial;  
Because all people are not interested in all products

## BASIC PRINCIPLES IN THE (PLACE) MARKETING PROCEDURE

### MARKET – MARKET RESEARCH-MARKET SEGMENTATION

- With the market research we can define **where the emphasis should be given** according to the group of consumers
- Market segmentation and targeting: defining the groups of the consumers where the promotion of products/services will forward
- The marketing mix depends on the targets and so does the campaign



# BASIC PRINCIPLES IN THE (PLACE) MARKETING PROCEDURE

## POSITIONING

- Positioning is based on finding the real strengths and weaknesses of a good (place) and its competitors
- Through the positioning strategy **the image** is communicated
- The image is build, communicated and transferred through multiple paths (not only the selected ones)

## THE DIFFERENCE BETWEEN MARKETING-BRANDING-ADVERTISING

- Branding comes first and should be the basis for any marketing activity
- The 'brand' is the expression of the **real values of a place**, organization or product. Is about communicating the characteristics, the values and the attributes which manifest what the good (place) is or is not
- The 'brand' intends to encourage someone to obtain a good and supports the marketing procedures. It is not a tool for pressing the client to buy, it a toll for informing him/her about the good.
- **branding is linked to the image of the place** (or good in general)
- Everyone in a place, with their activities, either build or degrade the place's brand...

# THE DIFFERENCE BETWEEN MARKETING AND ADVERTISING

- Marketing Procedure:
  - ‘Reading’ and understanding the consumers (after the market segregation)
  - Adapting the campaign to the characteristics of the target groups (young audience, conservative audience, environmentally sensible people, etc.)
  - Developing the appropriate image, an easy to remember slogan, promotional material, **adverts**
- Adverts: posters, video spots, etc. in/on the appropriate media according to the characteristics of the target groups

## THE DIFFERENCE BETWEEN MARKETING AND ADVERTISING

- Advert: impersonal presentation and promotion of ideas, goods, services, from an identifiable person, business, or place
- The advert promotes either the 'product' (commercial goods, touristic packages, etc.) of a place, or the place itself
- Ανάλογα με τους στόχους the advert may be *informational/ persuasive/ reminding*
- Promotional mix: advertising, sales promotion, public relations, personal selling, direct marketing, **word of mouth**